

**REMARKS BY THE UN RESIDENT COORDINATOR,  
MR. ALBERIC KACOU AT THE CONFERENCE ON “THE ROLE OF SUB-NATIONAL  
JURISDICTIONS IN EFFORTS TO ACHIEVE THE MILLENNIUM DEVELOPMENT  
GOALS (MDGs) IN AFRICA” AT THE TRANSCORP HILTON HOTEL, ABUJA  
ON 7<sup>TH</sup> MAY 2009.**

**Honourable Minister of Finance, Federal Republic of Nigeria, Dr. Mansur Muhtar;**

**Senior Special Assistant to the President on MDGs, Hajia Amina Ibrahim;**

**Representative of Executive Secretary of Economic Commission for Africa;**

**Your Excellencies, Ambassadors and Members of diplomatic corps here present;**

**Directors/Heads of Parastatals;**

**Development Partners here present;**

**Members of the Press;**

**Distinguished Ladies and Gentlemen:**

It is my pleasure and honour to represent the UNDP Regional Bureau for Africa Director, Dr Tegegnetwork Gettu, at this conference. It is also my great pleasure to join Hajia Amina Ibrahim, in welcoming you all to Nigeria.

Let me thank the Federal Government of Nigeria for accepting to host this conference, and also thank UN Economic Commission for Africa (ECA) and Office of the Senior Special Assistant to the President (OSSAP) for organizing this conference **‘the role of the Sub-National Jurisdictions in Achieving the Millennium Development Goals (MDGs)**. This conference has already established itself as a key event at an appropriate time against the backdrop of current fast moving global economic and financial crisis. As a result, the importance of such dialogue cannot be overemphasized. Development issues and concerns for Africa are increasing in a world of growing financial flows, with expected tightening of external resources, including ODA. In Nigeria, for instance declining oil prices, remittances and trade credits are some of the effects among many.

As most of you are aware, Africa, especially sub-Saharan Africa, is now seeking ways to mitigate the adverse impact of the crisis on the poorest and most vulnerable people, while preserving important hard-won gains of growth momentum sustained recently, including macroeconomic stability and debt-sustainability.

The value of this conference lies in the opportunity it provides for an in-depth dialogue between participants. Together, we need to regularly address these issues and their various dimensions because we share the land, seaways, and airspace of a single continent. We must continue to debate ideas, continue to exchange view points and continue to analyze policies with a view to achieving a more secure and cooperative continent. These factors have high potential of undoubtedly undermining the modest gains recorded across Africa towards the achievement of the MDGs by 2015. This therefore raises with renewed vigour the urgent need to pursue the *decentralization process* undertaken so far in Africa with a view to maximizing the effectiveness of Public services and improving services delivery. At the same time, the issue of making a *fiscal space* available, including *mobilizing resources at sub-national levels* for the overall development process has regained interest in the context of the Millennium Development Goals (MDGs).

A few figures will tell the story eloquently about Africa: the African economies as a whole have recorded relatively strong macroeconomic performance over the past few years. For instance, the growth rate for the Africa's continent during 2005-2007 period averaged 5.8 percent annually. Sound macroeconomic and policy reforms, including MDG-consistent poverty reduction strategies as well as favorable primary product prices and a marked improvement in peace and security have contributed immensely to this performance.

However, this economic performance which is still lower than the 7 percent annual growth rate required to reduce poverty, has not been translated into equitable distribution of wealth and has not expanded decent employment opportunities.

At the same time, while a sustained increase in growth rates requires higher levels of savings and investment as well as increased investment productivity, Sub-Saharan Africa continues to lag behind with the lowest savings rate in the world. In 2007, Gross domestic savings as a percentage of GDP was 17.6 per cent compared with 26.0 per cent in South

Asia, 24 per cent in Latin America and the Caribbean, and nearly 42.9 per cent in East Asia and Pacific countries.

On the Fiscal reforms, despite tremendous efforts to diversify and broaden the revenue base, African countries' fiscal operations landscape is still overly-dependent on single primary products, oil revenues, royalties from extractive sectors and exports earnings while resource efficiency and public expenditure management remains a major challenge. Several studies show that the level of revenue mobilization in Sub-Saharan Africa is on the lowest trend compared to other regions. For instance, tax system in Africa indicates that most of them are performing below 20% of the GDP which is considered to be the international benchmark with local tax system below 1% of GDP.

Let me state here that while some findings are indicating that the achievement of the MDGs rest on the sub-national governments as they account for almost 70 percent of the poverty related spending in most of the countries, the localization of the MDGs at the grass roots level still has a long way to go. As such, several reforms undertaken at the central level have not been complemented by efforts from the states and local governments. Some of the constraints undermining successful achievement of the MDGs at the States levels include:

- inadequate coordination among the various tiers of governments for example the Federal system in Nigeria
- The unavailability of data to track progress and for proper MDG-based planning, decision-making, and resource allocation;
- Weak budgetary preparation process and budget implementation systems as well as budget accounting and reporting systems;
- Inefficiency in tax administration and public expenditure management and;
- Capacities and skills gap.

Ladies and Gentlemen, as you are aware, a number of constraints are hindering the process and several countries in Africa, including Nigeria, stand the risk of not attaining the MDGs unless extra efforts are made to redress the situation.

It is in response to the above challenges that the Federal Government of Nigeria with the support of the development partners initiated the process of localizing the MDGs at the states and Local Government levels. Towards this end we are supporting some of the following:

- The National Bureau of Statistics in proper data generation and management.
- The production of the States MDGs Report (so far done in 14 states of the federation).
- The MDGs Needs Assessment in 6 pilot states which constitutes the first step in contextualizing MDG-based strategies at the sub-national level.
- The implementation of an economic governance programme which aims at:
  - Strengthening Capacity in the National Planning Commission and the Budget office to improve fiscal policy coordination and management with a view to aligning national priorities with the MDGs;
  - Enhancing capacity for drafting and implementation of Fiscal Responsibility Legislation (FRL) and public procurement Legislation (PPL);
  - Enhancing capacity at the Debt Management Office for the construction and use of debt sustainability tools/templates.

These are some experiences in Nigeria that can be shared with participants from other countries.

Let me end by reminding ourselves of the fact that we, practioners, have a truly critical role to play in setting the course on a path to achievement of the MDGs in Africa. Your advocacy, analysis and advice are the critical factors in propelling governments and businesses to make sacrifices necessary for the economic wellbeing of Africa.

Finally, I wish you all fruitful discussions and I thank you for your attention.